

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6777

Investigation into the Department of Public       )  
Service's Request to Reduce the Amount to be       )  
Collected Via the Energy Efficiency Charge in       )  
the Year 2003    )

Order entered: 1/17/2003

**ORDER RE: REVISED 2003 ENERGY EFFICIENCY CHARGE RATES**

**I. INTRODUCTION**

In this Order, we approve revised year-2003 Energy Efficiency Charge ("EEC") rates for customers of all the state's electric distribution utilities except for Washington Electric Cooperative, Inc. ("WEC"). The Public Service Board's ("Board") December 30, 2002, Order in this Docket reduced the total amount to be collected via the EEC in 2003. As a result, the EEC rates to be paid by customers of all electric distribution utilities except for WEC needed to be recalculated.<sup>1</sup> After reviewing compliance filings made by the City of Burlington Electric Department ("BED"), the Vermont Department of Public Service ("DPS"), and Central Vermont Public Service Corporation ("CVPS"), we conclude that the revised year-2003 EEC rates proposed by the DPS and CVPS in their compliance filings are calculated in accordance with our December 30, 2002, Order. Therefore, the year-2003 EEC rates for customers of all Vermont electric distribution utilities except for WEC will be as set out below.

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1. The 2003 EEC rates for WEC's customers were set in the Board's December 5, 2002, Order in Docket 6741. These rates were the result of a settlement agreement between WEC and the DPS. The DPS's proposed reduction in the total amount to be collected statewide via the EEC in 2003, which the Board accepted in its December 30, 2002, Order in this Docket, explicitly did not include a request for a change in the 2003 rates for WEC's customers. ("... nor does the [DPS] propose any change in the level of the charge to be applied to the customers of Washington Electric Cooperative." Exh. DPS-2 at 4.) Therefore, the 2003 EEC rates for WEC's customers were not an issue in this Docket, and there was no need to recalculate them.

## **II. PROCEDURAL HISTORY**

The early procedural history in this Docket is described in the Board's December 30, 2002, Order in this Docket and need not be repeated in detail here.<sup>2</sup>

The Board's December 30, 2002, Order in this Docket required BED to file recalculated amounts for two budget categories which would be reduced since they were originally calculated as a percent of the overall EEC-funded budget. In addition, that Order required the DPS to apply the methodology approved in Docket 6741 to calculate the new level of the year-2003 EEC for each of the state's electric utilities.

On January 9, 2003, BED filed its recalculated budget and recalculated year-2003 EEC rates based upon that budget.

On January 9, 2003, the DPS filed a recalculation of the year-2003 EEC rates applicable to most customer classes of all Vermont distribution utilities except BED, CVPS, and WEC. The DPS's filing did not include a recalculation of the 2003 EEC rates for street and security light customers of each electric utility.<sup>3</sup>

On January 10, 2003, CVPS filed a recalculation of the year-2003 EEC rates applicable to its customers.

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2. See, Order of 12/30/02 at 6-8.

3. The DPS's compliance filing also pointed out what it believed was an inaccuracy in finding 7 of the December 30, 2002, Order. Finding 7 of that Order states:

In 2001, energy efficiency was obtained by the EEU at a cost of 2.6 cents per kilowatt-hour ("kWh") using total costs for the EEU for that year, including participant and third-party investments in the cost of the measures installed, of \$14,014,125.

The DPS asserted that the 2.6 cents per kWh figure supplied by the DPS is a utility-cost figure, that is, the cost incurred by the energy efficiency utility and does not include participant and third-party costs. The DPS is correct that the cite to DPS witness Carole Welch's testimony does not support the finding. However, Table 2.3.1 on page 12 of exh. DPS-6 shows Total Program Costs (including Efficiency Vermont Costs, Total Participant Costs, and Total Third Party Costs) of \$14,014,125, and Lifetime MWh Savings from 2001 investments of 531,042 MWh. \$14,014,125 divided by 531,042 MWh divided by 1,000 (to convert MWh to kWh) equals 2.6 cents per kWh. This table should have been cited to support the finding.

### **III. DISCUSSION AND CONCLUSION**

Our December 30, 2002, Order required that the year-2003 EEC rates be recalculated (using the methodology approved in our October 31, 2002, Order in Docket 6741) so as to collect \$14 million from ratepayers for energy efficiency services in that year. Since the date of that Order, BED, CVPS, and the DPS have filed proposed revised rates. We have reviewed this information, and determine that these proposed revised rates are calculated in accordance with our December 30, 2002, Order.

BED's and CVPS's compliance filings included recalculated rates for all their customer classes. The DPS's compliance filing, on the other hand, did not include a recalculation of the 2003 EEC rates for street and security light customers. However, the Board's December 30, 2002, Order in this Docket required that the methodology approved in its October 31, 2002, Order in Docket 6741 be used to recalculate the EEC rates. In the Docket 6741 Order, the Board approved rates for unmetered street and security lighting customers equal to, or the equivalent of, the rate charged to non-residential customers who are not demand billed times the nominal size of the light times 360 hours per month.<sup>4</sup> Thus, the information included in the DPS's compliance filing is sufficient to apply the methodology from Docket 6741 for street and security lighting customers.

Therefore, we approve the following EEC rates for the year 2003.

#### **Most Distribution Utility Service Territories**

The 2003 EEC rates for all utility service territories except for BED, CVPS, and WEC will be:

- (a) For residential customers: 3.172 mills/kWh;
- (b) For non-residential customers who are not demand billed: 2.538 mills/kWh;

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4. See, Docket 6741, Order of 10/31/02 at 8 (finding 6). Paragraph 4.d of the Stipulation approved by the Board in that Order states, in relevant part:

For unmetered street and security lighting customers, the EEC will be equal to or the equivalent of the mills/kWh rate stated in subparagraph b, immediately above, [subparagraph b states the rate for commercial and industrial customers who are not demand billed] times the nominal size of the light times 360 hours per month, adjusted for the amounts described in paragraphs 11 and 12 of this Stipulation.

- (c) For non-residential customers who are demand billed: 1.623 mills/kWh and \$0.370765/kW per month, with the kW month charge assessed on billed peak kW only; and
- (d) For unmetered street and security lighting customers: 2.538 mills/kWh times the nominal size of the light times 360 hours per month.

### BED

The 2003 EEC rates for BED's service territory will be:

- (a) For residential customers: 2.570 mills/kwh;
- (b) For non-residential customers who are not demand billed: 2.665 mills/kwh;
- (c) For non-residential customers who are demand billed: 1.787 mills/kwh and \$0.329561/kW per month, with the kW month charge assessed on billed peak kW only; and
- (d) For unmetered street and security lighting customers: 2.665 mills/kWh times the nominal size of the light times 354 hours per month.

### CVPS

The year-2003 EEC rates for CVPS's service territory will be:

CVPS Rate Class	EEC Surcharge Percentage
<u>Residential</u>	
Rates 1 & 8	2.70%
Rate 9	3.12%
Rate 11	3.31%
<u>General Service</u>	
Rate 2	2.44%
Rate 10	2.57%
<u>Primary Service</u>	

Rate 4	2.82%
Rate 12	3.69%
<u>Transmission Voltage Service</u>	
Rate 5	3.49%
<u>Off-Peak Service</u>	
Rate 3	4.84%
Rate 13	5.41%
Rate 14	4.84%
Rate 15	6.53%
<u>Lighting</u>	
Rate 6	0.83%
Rate 7	0.83%

### WEC

The year-2003 EEC rates for WEC's service territory will be those set out in the Board's December 5, 2002, Order in Docket 6741. Those rates are:

- (a) For residential customers: 2.452 mills/kwh;
- (b) For non-residential customers who are not demand billed: 2.452 mills/kwh;
- (c) For non-residential customers who are demand billed: 1.343 mills/kwh and \$0.3110/kW per month, with the kW month charge assessed on billed peak kW only; and
- (d) For unmetered street and security lighting customers: \$0.088264, \$0.220661, and \$0.353059 per month for 100,250, and 400 watt units, respectively.

**IV. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The year-2003 Energy Efficiency Charge ("EEC") rates for customers of all Vermont electric distribution utilities shall be as stated above.
2. This Docket shall be closed.

Dated at Montpelier, Vermont, this 17<sup>th</sup> day of January, 2003.

<u>s/Michael H. Dworkin</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: January 17, 2003

ATTEST: s/Susan M. Hudson

Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: clerk@psb.state.vt.us)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*